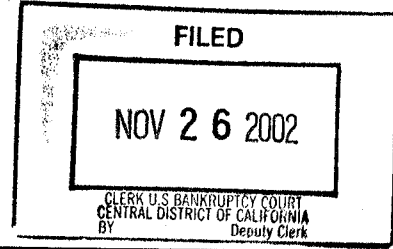


COPY

Attorney or Party Name, Address, Telephone, and California State Bar Number
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COURT USE ONLY



**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA**

In re: REED E. SLATKIN,

CASE NO.: ND 01-11549 RR

Debtor(s).

NOTICE OF SALE OF ESTATE PROPERTY

Sale Date: 12/20/02

Time: 10:00 a.m.

Location: United States Bankruptcy Court, 1415 State Street, Courtroom 201, Santa Barbara, CA 93101

Type of Sale: ☐ Public ☒ Private Last date to file objections: 12/6/02

Description of Property to be Sold: The Estate's right, title and interest in and to 1) Reed E. Slatkin's 21.7876595% interest in Boomtown Investments, LLC and 2) Reed E. Slatkin's 21.7876595% interest in Beacon Media Group, LLC, free and clear of all interests, save for the claims of Kevin M. O'Donnell.

Terms and Conditions of Sale: See Attached and "Notice Of Motion And Motion By Chapter 11 Trustee For (1) Approval Of Settlement With Beacon Parties And Bernstein Parties Pursuant To Rule 9019 Of The Federal Rules Of Bankruptcy Procedure And (2) Sale Of Assets Pursuant To 11 U.S.C. Section 363(B)(1), (F); Memorandum Of Points And Authorities In Support Thereof; Declaration Of R. Todd Neilson; Exhibit" concurrently filed herewith.

Proposed Sale Price: \$3,700,000.00 as part of the terms and conditions of a Settlement Agreement.

Overbid Procedure (If Any): N/A

If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:

Contact Person for Potential Bidders (include name, address, telephone, fax and/or e:mail address):

Hearing set for December 20, 2002, 10:00 a.m.

United States Bankruptcy Court

Central District of California, Northern Division

1415 State Street, Courtroom 201

Santa Barbara, CA 93101

Date: 11/25/02

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ATTACHMENT TO F 6004-2

NOTICE OF SALE OF ESTATE PROPERTY

Terms and Conditions of Sale:

The Estate's Interests are being sold pursuant to a settlement agreement (the "Settlement Agreement") entered into among (1) Boomtown Investments, LLC ("Boomtown"), Beacon Media Group, LLC ("BMG"), and Beacon Communications, LLC (on behalf of itself and its subsidiaries,¹ collectively, "Beacon"); (Beacon, Boomtown and BMG are collectively referred to as the "Beacon Parties"); (2) Armyan Bernstein ("Bernstein", on behalf of himself and his spouse, Christine Bernstein, his father, Armand Bernstein, and his mother, Lynne Bernstein, Flying Barzini Brothers, Inc. and ANG Capital Corporation (collectively, the "Bernstein Parties")); and (3) R. Todd Neilson, in his capacity as the Chapter 11 Trustee of the chapter 11 estate (the "Estate") of Reed E. Slatkin ("Slatkin"). In consideration of the mutual promises set forth in the Settlement Agreement, the Beacon Parties, the Bernstein Parties and the Trustee agree to fully settle and resolve all of their current and potential disputes and claims, asserted, threatened or which could have been asserted between them, on the terms and conditions set forth in the Settlement Agreement. The following is a summary of the most salient terms and conditions of the Settlement Agreement.

In general terms, the Settlement Agreement provides for the following:

- **Deposits of Funds by Boomtown and BMG into Escrow**

(1) in respect of the Slatkin Boomtown Interest, Boomtown shall deposit \$3,328,140.70 into the Escrow Account; which Escrow Account shall also include \$432,246.19 deposited in June 2002 by Boomtown and BMG;

¹ Beacon's subsidiaries are: Beacon Music Publishing, LLC, Club Pictures, LLC, ATA Films, Inc., Lucifilms, Inc., 16th Round Productions Corp., Lazarus Pictures, Inc., Trippin Films, Inc., Presidential Productions, Mutually Assured Productions, LLC, Fever Films, LLC, Fever International, Inc., Big Ed Picture Company, LLC, Family Man Productions, Inc., Front Films, LLC, Palace Pictures, LLC, and Palace International, Inc.

1 (2) in respect of the Slatkin BMG Interest, BMG shall deposit \$371,859.30
2 into the Escrow Account;

3 • **Sale, Transfer and Assignment of Estate's Interests to Boomtown and BMG**

4 (3) simultaneously with the two aforementioned deposits, the Trustee shall
5 sell, transfer and assign to Boomtown and BMG, respectively, all of the Bankruptcy Estate's right,
6 title and interest in and to the Slatkin Boomtown interest and the Slatkin BMG Interest free and
7 clear of all interests, save for the O'Donnell Claims (the "Trustee's Transfer");

8 • **Payment by Bernstein to Trustee**

9 (4) following Final Court Approval of the Settlement Agreement, Bernstein
10 shall pay \$1.5 million to the Trustee (the "Bernstein Payment");

11 • **Mutual General Releases (the "Mutual General Releases")**

12 (5) the Beacon Parties release and discharge the Trustee and the Estate from
13 all claims the Beacon Parties may have against them with exceptions, as set forth more fully in the
14 Settlement Agreement attached;

15 (6) the Bernstein Parties release and discharge the Trustee and the
16 Bankruptcy Estate from all claims the Bernstein Parties may have against them with exceptions, as
17 set forth more fully in the Settlement Agreement attached; and,

18 (7) the Trustee releases and discharges the Beacon Parties and the Bernstein
19 Parties from the claims the Trustee has against them with exceptions, as set forth more fully in the
20 Settlement Agreement attached.

21 • **Holding of Deposits in Escrow Until Final Court Approval and Final**
22 **Resolution of O'Donnell Claims**

23 (8) all amounts deposited into the Escrow Account, and the June Deposit,
24 shall be held in the Escrow Account pending final Court approval of the Settlement Agreement
25 and final resolution of the claims asserted by O'Donnell;
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27
28

1 • **Final Court Approval; Resolution of O'Donnell Claims; Release From Escrow**
2 **Account**

3 (9) If Final Court Disapproval is received, then the Trustee and the Beacon
4 Parties shall instruct the Escrow Agent to return all amounts in the Escrow Account (other than the
5 June Deposit and any earnings thereon) to the Beacon Parties, and the Settlement Agreement shall
6 be void and of no effect, and the releases provided therein shall be ineffective.

7 (10) Upon the occurrence of both (a) Final Court Approval and (b) a Final
8 O'Donnell Claims Resolution in which it is determined by a court of competent jurisdiction that
9 the Trustee has all right, title and interest in the Slatkin Interests, free and clear of all Interests held
10 or claimed by O'Donnell, and the assignment of the Slatkin Interests to the Beacon Parties is free
11 and clear of all O'Donnell Claims and Interests, then the Trustee and the Beacon Parties shall
12 instruct the Escrow Agent to distribute all funds in the Escrow Account to the Trustee.

13 (11) Upon the occurrence of both (a) Final Court Approval and (b) a Final
14 O'Donnell Claims Resolution in which it is determined by a court of competent jurisdiction that
15 O'Donnell has some Interest in the Slatkin Interests, or that the Transfer of the Slatkin Interests to
16 the Beacon Parties is subject to any Interest of O'Donnell (any such determination, an "Adverse
17 Determination"), then the following shall occur:

18 (i) If the Final O'Donnell Claims Resolution provides that the
19 Trustee has a partial interest in the Slatkin Interests and that such partial interest is free and clear
20 of all O'Donnell Claims and Interests, then the Trustee and the Beacon Parties shall instruct the
21 Escrow Agent to distribute the funds in the Escrow Account as follows: the Trustee shall be
22 distributed a proportion of the funds in the Escrow Account attributable to Boomtown equal to the
23 proportion which the Slatkin Boomtown Interest that is determined to be owned free and clear by
24 the Trustee bears to the total Slatkin Boomtown Interest, and a proportion of the funds in the
25 Escrow Account attributable to BMG equal to the proportion which the Slatkin BMG Interest that
26 is determined to be owned free and clear by the Trustee bears to the total Slatkin BMG Interest.
27 Any remaining funds in the Escrow Account shall be returned to the Beacon Parties.
28

1 (ii) If the Final O'Donnell Claims Resolution provides that the
2 Trustee has no interest in the Slatkin Interests, then the Trustee and the Beacon Parties shall
3 instruct the Escrow Agent to return all funds in the Escrow Account to the Beacon Parties.

4 (iii) If the Final O'Donnell Claims Resolution provides for some
5 other Adverse Determination not specified in clauses (i) or (ii) above, and if the funds on deposit
6 in the Escrow Account are sufficient to satisfy and obtain the release of all O'Donnell Claims such
7 that the Transfer of the Slatkin Interests to the Beacon Parties is free and clear of all O'Donnell
8 Claims and Interests, then the Trustee and the Beacon Parties shall instruct the Escrow Agent to
9 make payments from the Escrow Account to satisfy such claims and the remainder of the funds in
10 the Escrow Account shall be released to the Trustee.

11 (iv) If the Final O'Donnell Claims Resolution provides for some
12 other Adverse Determination not specified in clauses (i) or (ii) above, and if the funds on deposit
13 in the Escrow Account are not sufficient to satisfy and obtain the release of all O'Donnell Claims
14 such that the Transfer of the Slatkin Interests to the Beacon Parties is free and clear of all
15 O'Donnell Claims and Interests, then the Trustee and the Beacon Parties shall instruct the Escrow
16 Agent to release all amounts in the Escrow Account to the Beacon Parties.

17 (v) An Adverse Determination shall not impact or affect the
18 Trustee's Transfer to Boomtown and BMG, the Bernstein Payment, or the Mutual General
19 Releases; provided, however, for the avoidance of doubt, nothing in the Settlement Agreement is
20 intended to limit the Beacon Parties' ability or right to assert against O'Donnell, by way of set-off,
21 recoupment or defense, any Claims or rights which the Beacon Parties may have against Slatkin or
22 the Trustee.

DECLARATION OF SERVICE

I am over the age of eighteen years and not a party to the within action. I am employed in an office that employs a member of the bar of this Court, at whose direction the within service was made. My business address is KIRKLAND & ELLIS, 777 South Figueroa Street, Los Angeles, California 90017.

On November 25, 2002, I served the following **NOTICE OF SALE OF ESTATE PROPERTY** on the interested parties in this action by placing true copies thereof, enclosed in sealed envelopes addressed as follows:

SEE ATTACHED SERVICE LIST

The above-described pleading was transmitted to the indicated parties set forth above in the manner described below:

By United States Mail.

- ☐ *I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.
- ☒ As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on November 25, 2002, at Los Angeles, California.

I declare that I am employed in the office of a member of the Bar of this Court at whose direction the service was made.



Susan Perry